United Nations E/CN.7/2018/3-E/CN.15/2018/3

Economic and Social Council

Distr.: General
24 January 2018

Original: English

Commission on Narcotic Drugs
Sixty-first session
Vienna, 12–16 March 2018
Item 4 (a) of the provisional agenda*
Strategic management, budgetary and administrative questions: work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime

Commission on Crime Prevention and Criminal Justice
Twenty-seventh session
Vienna, 14–18 May 2018
Item 4 (a) of the provisional agenda**
Strategic management, budgetary and administrative questions: work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime

Work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime

Note by the Secretariat

Summary

The present note has been prepared pursuant to Economic and Social Council decision 2017/236, in which the Council renewed the mandate of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime until the part of the sessions of the Commissions to be held in the first half of 2021, as well as Commission on Narcotic Drugs resolutions 52/13, 54/10, 54/17, 56/11, 58/1 and 60/3 and Commission on Crime Prevention and Criminal Justice resolutions 18/3, 20/1, 20/9, 22/2, 24/1 and 26/1. The present note covers the work of the working group between 19 October 2017 and 22 January 2018. Information on the work of the working group during the preceding period can be found in document E/CN.7/2017/3/Add.2-E/CN.15/2017/15/Add.2.

* E/CN.7/2018/1.
** E/CN.15/2018/1.

V.18-00302 (E) 010218 020218

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I. Deliberations

1. From 19 October 2017 to 22 January 2018, the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime (UNODC) held three informal meetings and a formal meeting.

2. The working group continued to consider issues under the items of the agenda approved by the Economic and Social Council in its decision 2017/236 and by the Commission on Narcotic Drugs in its resolution 52/13 and the Commission on Crime Prevention and Criminal Justice in its resolution 18/3 and in accordance with the terms of reference annexed to those resolutions, as well as with provisions contained in Commission on Narcotic Drugs resolutions 54/10, 54/17, 56/11, 58/1 and 60/3 and Commission on Crime Prevention and Criminal Justice resolutions 20/1, 20/9, 22/2, 24/1 and 26/1.

3. At the meeting held on 19 October, delegations were provided with an outline of the consolidated budget for the biennium 2018–2019 for UNODC, highlighting, among other things, a material growth in programme delivery reaching a total of $672.4 million; a greatly reduced level of general-purpose funds (less than 1 per cent of the total income of UNODC), which were the main vehicle for overcoming short-term programmatic shortfalls; a proposal that resources for research and justice functions, previously funded from general-purpose funds, be mobilized separately, while utilizing general-purpose fund reserves; and the completion of the transition to a fully implemented full-cost recovery model. Other information provided by representatives of UNODC included trends and evolution of special-purpose, general-purpose and programme support cost funds and challenges for the future. The timeline for the review and approval of the UNODC budget for the period 2018–2019 was also presented, as well as efficiencies achieved in relation to the regular budget for the period 2018–2019. Delegations expressed concern over the decline in general-purpose funds and the impact that could have on core functions of the Office. The crucial role of the Research and Trend Analysis Branch was noted, and speakers expressed concern at the impact that the lack of general-purpose funding could have on the work and staff of the Branch. The growth of special-purpose funds was seen as an indication of the value that Member States attached to UNODC as an implementing partner. In the view of some speakers, excessive full-cost-recovery rates could negatively affect the ability of UNODC to compete with other organizations.

4. At the meeting, a representative of UNODC also reported on efforts to assist Member States in implementing the 2030 Agenda for Sustainable Development, particularly with regard to Goal 16, on justice, and target 3.5 (strengthen the prevention and treatment of substance abuse). An update was given on the implementation of the UNODC regional programme for Afghanistan and neighbouring countries, as a platform for strengthened engagement on drug and crime challenges in West and Central Asia. Delegations expressed concern at the declining donor support in the face of a deteriorating situation with respect to opium production in Afghanistan. Updates were also provided on the Global Programme for Combating Wildlife and Forest Crime, which was seen as connecting the protection of wildlife with criminal justice, and on the joint global programme on access to controlled substances for medical purposes while preventing diversion and abuse, conducted in cooperation with the World Health Organization and the Union for International Cancer Control. A presentation was also made on the Global Programme on Gender Equality and the Empowerment of Women in UNODC and the United Nations Office at Vienna (UNOV), which had the objective of putting in place a UNODC and UNOV institutional framework to achieve gender equality. Among the ongoing and planned activities under that Global Programme were the following: a baseline survey; the development of a Gender Equality Strategy and Action Plan; awareness-raising and capacity-building within the Office; gender mainstreaming in the project management cycle; and enhancing gender parity among staff. The working group was also given

an update on the work of the Independent Evaluation Unit of UNODC, with an emphasis on the results of investing in gender-sensitive evaluations. An overview was provided of UNODC technical assistance in the field of criminal justice responses to terrorism.

5. At the meeting held on 23 November, delegations were updated on the financial situation of UNODC, covering aspects such as the regular budget decision-making process, projections for general-purpose contributions in the period 2016–2019; the general-purpose budget for the period 2018–2019; comparison of initial budgets for special-purpose funds with programme support cost funds; major items in the growth of special-purpose funding in 2017 and the implementation of special-purpose funds as of mid-November 2017; a break-down of the programme support cost budget by Division and by posts, in the period 2018–2019. The key goals of the Secretary-General's management reform were also presented. In replying to the questions and comments made, the Director of the Division for Management clarified the use of the different funding sources. He highlighted the sharp decline in general-purpose funds (unearmarked voluntary contributions) and noted that the projections for general-purpose fund income for the period 2018–2019 were lower than what was foreseen in the current budget. Most income had become earmarked funding over the years. It was further clarified that the internal budget review process included a needs assessment of the requirements of each Division and internal consultations on the principles of balanced budgets, utilization of funds for the intended purposes, maintenance of adequate levels of reserves and compliance with the Financial Rules and Regulations of the United Nations, including the Controller's memo that governs the use of programme support cost funds.

6. A representative of UNODC elaborated on the development of the strategic framework for the period 2020–2021, explaining that it was currently on hold until the Secretary-General's reform proposals, including on the length of the budget period (a possible reduction from two years to one year), and that the format of the programme plans would be formally considered by the Member States. If the reform proposals were approved by the General Assembly, the changes would come into effect for the annual budget and the strategic framework for the period 2020–2021 and require a new format which was to be used in the whole United Nations Secretariat. The UNODC representative also provided an update on the Quadrennial Comprehensive Policy Review for the period 2016–2020, noting that UNODC, as a member of the United Nations Development Group, was actively participating in this process. The four main areas of reform being pursued under the lead of the Secretary-General and the Deputy Secretary-General included the development of a system-wide strategic document in line with the 2030 Agenda. Other presentations were made at the meeting, on UNODC support to Member States in mounting an effective response to address HIV among women in prisons and on the gender dimension in criminal justice responses to terrorism. An update on the work of the Independent Evaluation Unit was also provided.

7. At the meeting held on 4 December, the Director of the Division for Management of UNODC provided explanations on the recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions on the consolidated budget for the biennium 2018–2019 for UNODC (E/CN.7/2017/13-E/CN.15/2017/15). He also replied to queries by delegations on the consolidated budget, including on the following: the timing for its processing and approval by the Commissions; the use of the different funding sources; the proposed transfer for the research and justice functions of the Office from general-purpose funding to special-purpose funding; and the decline in general-purpose funding over the years. In replying to the questions and comments made, the Director of the Division for Management explained that, in view of the decline in general-purpose funding, the Office had been working on identifying the right funding sources for activities since the period 2012–2013, including the transfer of field office representative functions and deputy representative functions from general-purpose funding to special-purpose funding; moving indirect support functions, such as

co-financing and partnership functions, advocacy and central support for the Divisions' activities, to programme support cost funds. At the current stage, there were not many possibilities left, and the Executive Director had committed himself to ensuring the continuity of the work of UNODC in research and justice, if needed through redeployment of resources as appropriate. Programme support cost funds were earmarked for indirect support to projects.

8. An update on the work of the Independent Evaluation Unit was also provided at the meeting, including on the Unit's contribution to the review of progress towards achieving the Sustainable Development Goals and related capacity-building for national evaluation of progress. The Secretariat also reported on progress towards the achievement of gender parity among the staff in the Office at all levels under four key drivers: recruitment and staff retention, career development, organizational culture, and supporting architecture. Among other achievements, UNODC had met the targets for 2016 for the representation of women in non-senior posts (P-1 to P-4) and senior posts (P-5 to D-2) in the Professional category; supported career coaching, workshops and online courses to foster career advancement for women; and continued efforts to further develop an inclusive culture that promotes diversity and provides staff with a flexible and enabling workplace.

9. A formal meeting of the standing open-ended intergovernmental working group on improving the governance and financial situation of UNODC was held on 22 January 2018. The meeting was addressed by the Executive Director, who referred to the Office's priorities for 2018. He also provided information on the revisions made to the consolidated budget for the biennium 2018–2019 for UNODC, which had been prepared on the basis of requests made by Member States at the reconvened sessions of the Commissions in December 2017. He noted that the Office was proposing to redeploy resources for the Research and Trend Analysis Branch, including general-purpose and programme support costs funds. At the same time, funds had been made available to the Division for Operations to preserve the integrity of the field office network. He also acknowledged the solid projections for special-purpose income, which testified to the continued confidence of donors in the work of the Office and had allowed programme growth in a number of countries and regions. In the face of this growth, UNODC had managed to maintain budget discipline and application of full-cost-recovery principles in the field. General-purpose income projections, however, had dropped to an all-time low level, and more general-purpose funds were needed to maintain strategic direction and oversight, manage potential financial shortfalls and implement improvements. Continued political and financial support was needed from Member States in order to find sustainable resource solutions for the Office. For its part, UNODC intended to further reinforce its accountability framework in line with United Nations system-wide reforms. Among other developments highlighted by the Executive Director was the promotion of equal representation of women at all staff levels, as well as equitable geographical representation. In line with the United Nations system-wide strategy on gender parity, UNODC had developed its own Strategy for Gender Equality and the Empowerment of Women for the period 2018–2021, and an Action Plan to ensure the effective implementation of the Strategy was being elaborated. A number of delegations expressed appreciation for the Executive Director's participation in the meeting, which testified to the importance that the Office attached to issues of governance and finance. They also welcomed the revised proposed budget, including the proposed amendments to provide for the continuity of services in the research and justice sectors, as well as field operations.

10. The Director of the Division for Management presented a note on the consolidated budget for the biennium 2018–2019 for the United Nations Office on Drugs and Crime, which contained the adjustments requested by the Commission on Narcotic Drugs in its resolution 60/10 and by the Commission on Crime Prevention and Criminal Justice in its resolution 26/5. The note was to be issued for consideration and action by the Commission on Narcotic Drugs at its sixty-first session in March 2018 and the Commission on Crime Prevention and Criminal Justice at its

twenty-seventh session in May 2018.[1] Other presentations were made by representatives of the Secretariat, on human resources management at UNODC, on progress in the implementation of UNODC programmes in South-Eastern Europe and Africa, and on the work of the Independent Evaluation Unit. The Secretariat also provided an update on United Nations reform as it pertained to the strategic framework modalities. The meeting agreed, on the basis of previous practice, that the meetings of the working group were to be suspended until June 2018, after the sessions of the Commissions, in order to allow time for the preparation of a new programme of work.

II. Organizational and administrative matters

11. Under the guidance of the Co-Chairs, Ignacio Baylina Ruiz (Spain) and Moataz Khaled Aly Abdelhady (Egypt), the working group held three informal meetings, on 19 October, 23 November and 4 December 2017, and a formal meeting on 22 January 2018.

12. Informal consultations were held on 5 and 6 December on the draft resolutions for the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund, contained in annexes VI and VII, respectively, of the report of the Executive Director on the consolidated budget for the biennium 2018–2019 for UNODC (E/CN.7/2017/12–E/CN.15/2017/14).

13. The Secretariat continued to provide documents and information to the working group by electronic means and in hard copy, including through a web page accessible to the public (www.unodc.org/unodc/en/commissions/FINGOV/FINGOV-index.html) and a secure web page for Member States (www.unodc.org/missions/en/wggf/index.html), set up and maintained by the Secretariat for the use of the working group.

III. Action by the Commissions

14. The Commission on Narcotic Drugs, at its reconvened sixtieth session, and the Commission on Crime Prevention and Criminal Justice, at its reconvened twenty-sixth session, elected Ignacio Baylina Ruiz (Spain) and Moataz Khaled Aly Abdelhady (Egypt) Co-Chairs of the working group, in accordance with the procedure set out in Commission on Narcotic Drugs resolution 52/13 and Commission on Crime Prevention and Criminal Justice resolution 18/3.

[1] E/CN.7/2018/12-E/CN.15/2018/14.